

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 825 – HB 1392

March 25, 2021

SUMMARY OF BILL: Authorizes all local governments to regulate entry into passenger transportation services and entertainment transportation. Requires businesses providing such services within regulating localities to comply with the safety rules and regulations and the liability insurance requirements.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue –

Exceeds \$100,000/FY21-22 and Subsequent Years/Permissive

Increase Local Expenditures –

Exceeds \$300,000/FY21-22 and Subsequent Years/Permissive

Assumptions:

- Pursuant Tenn. Code Ann. § 7-51-1007, only Davidson and Shelby Counties are authorized to regulate entry into passenger transportation services. The proposed legislation would expand the authorization to regulate such service to all local governments and add the regulation of entertainment transportation.
- This analysis assumes:
 - Any locality opting to regulate such services will require additional resources to oversee such regulation; and
 - Such localities will partially offset the costs of such resources by charging licensing fees and assessing fines for noncompliance.
- The extent of any permissive increase in local expenditures utilized for development of additional resources is unknown, but is reasonably estimated to exceed \$300,000 annually for hiring of additional staff and supplies. Expenditures are estimated to occur in FY21-22 and subsequent years.
- The extent of any permissive increase in local revenue from the assessment of licensing fees for such vehicles will be dependent upon the rate set and the number of vehicles licensed or fined for noncompliance in any given year. However, it is reasonably estimated to exceed \$100,000 annually. Revenue from licensing such vehicles is estimated to occur in FY21-22 and subsequent years.
- The extent of regulation which will be established by localities statewide is unknown. Other, secondary fiscal impacts are possible; however, the extent of such secondary impacts cannot reasonably be determined prior to the establishment of such regulations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

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